ARTICLE APPEARED ON PAGE A1.

WASHINGTON POST
23 June 1986

Soviet Ability To Accelerate Arms Debated

Reagan SALT Stance Shaped by Economics

By Walter Pincus
Washington Post Staff Writer

President Reagan has adopted the view, still not accepted by the Central Intelligence Agency and many Soviet experts, that the Soviet economy is so overburdened that Moscow's current level of defense spending could not expand in response to U.S. abandonment of the SALT II treaty limits, according to sources inside and outside the government.

Reagan's attitude was shaped largely by a meeting in April with Henry S. Rowen, a Soviet expert on the faculty of the Stanford University Business School and a senior research fellow at the Hoover Institute of War and Peace. Rowen headed a recent CIA review of the Soviet economy, which described Moscow as facing a "terrible economic situation."

Rowen concluded, according to colleagues on the panel, that Soviet economic problems made it doubtful that Moscow could finance the kind of major weapons buildup that had been predicted by a 1985 CIA study. In a telephone interview from France where he is vacationing, Rowen said that he was "not saying they could not respond with some increases."

"The president believes the Soviets are in bad shape economically," one source who met recently with Reagan said.

Kenneth L. Adelman, director of the Arms Control and Disarmament Agency, who pushed for Reagan's May 27 announced intention to exceed the limits of the unratified SALT II treaty, captured the president's view last week when he wrote in The New York Times that "the Soviets already have their accelerator near or on the floor" and thus could not significantly increase their strategic weapons production.

Not everyone agrees.

Reagan and his aides are "profoundly misguided," according to Dmitri Simes, a Soviet expert with the Carnegie Endowment for International Peace. Soviet leader Mikhail Gorbachev "definitely has serious problems at home and abroad and in the long run the [Reagan] view might prove correct."

But the new Soviet leadership has "a new element of self-confidence bordering on arrogance . . . . If we believe they are on the ropes and they, in contrast, feel they can keep Mother Russia not second to anyone, that can lead to a bad time," Simes added.

David Holloway, a specialist on Soviet defense policy at Stanford University, said that although the Soviet economic problems are serious, "they are not so bad that they can't stay in the arms race . . . . The key thing is not economic but political, the willingness of Gorbachev to make that kind of decision and mobilize support."

At a recent news conference, Soviet Embassy arms control specialist Vitaly Churkin bristled when asked about the Reagan administration view that Moscow could not undertake an arms buildup. "I would like to point out that as you know, historically, if anything, we are very good at rising up to challenges. If we are challenged, we will certainly be able to respond in kind."

While there is debate among Kremlinologists over the capabilities of the Soviet military-industrial complex, there is surprising unanimity that Gorbachev has been trying to cap Moscow's defense spending.

Under Gorbachev's leadership, according to Steven Meyer, a Soviet expert at the Massachusetts Institute of Technology, the recent Soviet Party Congress platform approved a change in the description of how defense spending levels will be determined in a way that permits the party's political leaders to lower them.

The new standard, Meyer said, is to fund the military so it can prevent "strategic superiority of the forces of the imperialists," whereas the previous standard was a pledge to provide the Soviet military with whatever it believed needed "to reliably defend the homeland."

Under the old formulation, the Soviet chief of staff would have the final word on what was needed. Now, Meyer said, the party leadership will be able to insert its views on what the United States is doing as part of the mix.

U.S. intelligence sources said that the policy shift initially came to light after reports arose of a clash between Soviet political and military figures in high-level conferences.

Meyer and Holloway said they believe the change gives Gorbachev a new tool to control military funding. "The shift reflects not just economic but also doctrinal constraints on the military," Holloway said.

Rowen acknowledged that "Gorbachev is trying to hold down if not cut defense spending," but said the move relates to overall Soviet economic problems.